



P.O. Box 2301
Cincinnati, OH 45201-2301

July 14, 1995

DOCKET FILE COPY ORIGINAL

RECEIVED

JUL 14 1995

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: Notice of Proposed Rulemaking, CC Docket No. 95-72

Dear Mr. Caton:

Enclosed are an original and 9 copies of the Reply Comments of Cincinnati Bell Telephone in the above referenced proceeding. Additional copies are also being provided to the Policy and Program Planning Division and International Transcription Services, Inc., as instructed in paragraph 39 of the above document. A duplicate original of these Reply Comments is also provided. Please date stamp this as acknowledgment of its receipt and return it. Questions regarding these Reply Comments may be directed to Mr. James R. Lowell at the above address or by telephone on (513) 397-7260.

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Lowell".

James R. Lowell
for Director - Legislative &
Regulatory Planning

No. of Copies rec'd
List ABCDE

079

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

RECEIVED

JUL 14 1995

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of

End User Common Line
Charges

)
)
)
)

CC Docket No. 95-72

DOCKET FILE COPY ORIGINAL

**REPLY COMMENTS OF
CINCINNATI BELL TELEPHONE COMPANY**

Cincinnati Bell Telephone Company ("CBT") hereby responds to various comments filed in response to the Commission's May 30, 1995 Notice of Proposed Rulemaking ("NPRM") in the above-captioned proceeding.

I. Commenters Generally Support the Per-Facility Approach

The NPRM recognized the problem posed by the application of multiple subscriber line charges (SLCs) to local loops used with Integrated Service Digital Network (ISDN) and other derived channel services.¹ In the NPRM, the Commission proposed several possible solutions to this problem, one of which was the so called "per-facility" approach.² Under the per-facility approach, customers of ISDN and other derived channel services would only be required to pay a single SLC charge for each local loop, regardless of the number of derived channels provided over that facility. CBT supported the per-facility

¹ NPRM at para. 1.

² NPRM at para. 24.

approach in its initial comments, emphasizing that it should be applied consistently to all derived channel services, not just ISDN.³

The parties filing comments in this proceeding appear to be in general support of the per-facility approach. The Tennessee Public Service Commission, for example, recommends assessing the SLC on the copper facility, not the derived channels.⁴ Joint comments filed on behalf of four on-line service providers explain the importance of adopting a per-facility approach in terms of keeping prices for these advanced, derived channel services as affordable as possible for both residential and business users.⁵ The importance of ISDN as an emerging technology is also recognized by the Rural Telephone Coalition, which recommends adoption of the per-facility approach.⁶

The interexchange carriers (IXCs) also generally support the per-facility approach, so long as it does not result in higher carrier common line charges.⁷ AT&T, however, would stop short of adopting the per-facility approach on all derived channel services due to concerns about the upward pressure it may put on carrier common line charges.⁸

³ CBT Comments at p. 6.

⁴ Tennessee Public Service Commission Comments at p. 4.

⁵ Joint Comments of America Online Incorporated, Compuserve Incorporated, GE Information Services, Inc., and Prodigy Services Company at p.6-8.

⁶ Rural Telephone Coalition Comments at p. 3

⁷ Sprint Comments at p. 3.; MCI Comments at p. 3.

⁸ AT&T Comments at p. 8.

AT&T recommends using the per-facility approach for ISDN Basic Rate Interface (BRI) service,⁹ but recommends that LECs be required to charge one SLC per derived channel for ISDN Primary Rate Interface (PRI) service.¹⁰ The flaw in AT&T's proposal is that ISDN-PRI service can provide applications where multiple channels can be combined to provide a single communications path (eg., video conferencing). Therefore, an ISDN-PRI customer that uses applications requiring multiple derived channels to establish a single communications path is, in fact, establishing fewer actual channels. In other words, a customer may find that a 64 kbps channel is not fast enough for its application, which may require 128 kbps. This customer can use existing premise equipment to establish 128 kbps channels by combining two ISDN-PRI B-channels. Thus, a customer in this situation may actually be limited to 11 channels per ISDN-PRI facility, rather than the normal 23. CBT submits that customer use of these types of applications, as well as the size of the channels required to accommodate them, will grow continually, which undermines AT&T's logic for assessing one SLC per derived channel for ISDN-PRI services.

II. Concern Over Upward Pressure on the Carrier Common Line Charges, While Legitimate, Could be Alleviated by a Small Increase in the Subscriber Line Charge Cap

IXC concerns about the upward pressure that may be placed on carrier common line charges by adopting a per-facility for all derived channel services are legitimate. However,

⁹ ISDN-BRI service provides two voice or data channels (B-channels) and a signalling/data channel over a single local loop.

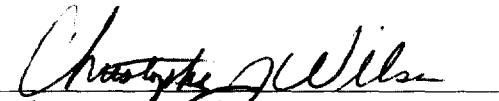
¹⁰ ISDN-PRI service provides 23 voice or data channels (B-channels) and a signalling/data channel over a T-1 facility

these concerns can be alleviated by implementing a modest increase in the residence and single line business SLC cap. In its initial comments, CBT recommended increasing the residence and single line business SLC cap from \$3.50 to \$3.75.¹¹ Several commenters address this issue, but believe any increase in the SLC cap should be addressed in the context of an urgently-needed, comprehensive review of the Commission's access charge rules.¹² While CBT supports the view that comprehensive reform of the Commission's access charge rules is needed, CBT believes that a modest increase in the residence and single line business SLC cap would constitute an appropriate interim measure until such comprehensive reform is undertaken and completed.

Respectfully submitted,

FROST & JACOBS

By



Thomas E. Taylor

Christopher J. Wilson

2500 PNC Center
201 East Fifth Street
Cincinnati, Ohio 45202
(513) 651-6800

Attorneys for Cincinnati Bell
Telephone Company

Dated: July 14, 1995

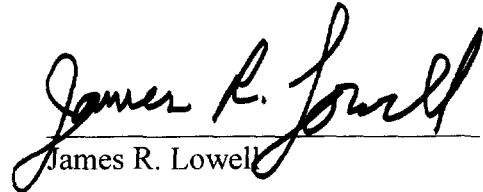
0220047.01

¹¹ CBT Comments at p. 4.

¹² See, eg., Comments of GTE at pp. 2-4.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that copies of the foregoing Reply Comments of Cincinnati Bell Telephone Company have been sent by first class United States mail, postage prepaid, on July 14, 1995 to the persons listed below


James R. Lowell

*William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

*Peggy Reitzel
Federal Communications Commission
1919 M Street, N.W., Room 544
Washington, D.C. 20554

*International Transcription Service
2100 M Street, N.W., Suite 140
Washington, D.C. 20037

Bill Franklin
All Freight Services
5311 Schneider Rd.
Newburgh, Indiana 47630

Randolph J. May
America Online Inc., et. al.
c/o Sutherland, Asbill & Brennan
1275 Pennsylvania Ave., N.W., Ste. 1000
Washington, D.C. 20004-2404

* Hand Delivered.

C. Douglas Jarrett, Esq.
American Petroleum Institute
c/o Keller and Heckman
1001 G Street, N.W., Suite 500 West
Washington, D. C. 20001

Michael S. Pabian
Ameritech
2000 West Ameritech Center Drive, Rm. 4H82
Hoffman Estates, Illinois 60196-1025

Peter H. Jacoby
AT&T CORP.
295 North Maple Avenue, Room 3244J1
Basking Ridge, New Jersey 07920

Lawrence W. Katz
Bell Atlantic Telephone Companies
1320 North Court House Rd., 8th Floor
Arlington, Virginia 22201

Richard M. Sbaratta
Bellsouth Telecommunications, Inc.
4300 Southern Bell Center
675 West Peachtree St., N.E.
Atlanta, Georgia 30375

John D. Bray
200 Bolinas Rd., #38
Fairfax, CA 94930

Jeffrey S. Linder
Cable & Wireless, Inc.
c/o Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

Henry D. Levine
California Bankers Clearing House
Association, et. al.
c/o Levine, Blaszak, Block & Boothby
1300 Connecticut Avenue, N.W.
Washington, D.C. 20036

Daniel J. Weitzner
Center for Democracy and Technology
1001 G St., N.W., Suite 700 East
Washington, D.C. 20001

Mark J. O'Connor
Commercial Internet Exchange Association
1200 19th St., N.W., 7th Floor
Washington, D.C. 20036

Gail L. Polivy
GTE Service Corporation
1850 M Street, N.W., Suite 1200
Washington, D.C. 20036

Patrick Hennessy
7 Gates Cir
Hockessin, Delaware 19707

Rhett B. Dawson
Information Technology Industry Council
1250 Eye Street, N.W., Suite 200
Washington, D.C. 20005

Christopher Bennett
MCI Telecommunications Corp.
1801 Pennsylvania Ave., N.W.
Washington, D.C. 20006

Jack Krumholtz
Microsoft Corporation
5335 Wisconsin Avenue, N.W., Suite 500
Washington, D.C. 20015

Stanley M. Gorinson
Microsoft Corporation
c/o Preston Gates Ellis & Rouvelas Meeds
1735 New York Avenue, N.W.
Washington, D.C. 20006

Stephen E. Nevas, Esq.
National Public Radio, Inc.
635 Massachusetts Avenue, N.W.
Washington, D.C. 20001-3753

David Cosson & L. Marie Guillory
National Telephone Cooperative Association
2626 Pennsylvania Ave., N.W.
Washington, D.C. 20037

Steven G. Sanders
Northern Arkansas Telephone Company, Inc.
301 East Main Street
Flippin, Arkansas 72634

Joseph Di Bella
NYNEX Telephone Companies
1300 I Street, N.W., Suite 400 West
Washington, D.C. 20005

Timothy S. Dawson
Pacific Bell and Nevada Bell
140 New Montgomery St., Rm. 1523
San Francisco, Calif. 94105

Pat Wood, III & Robert W. Gee
Public Utility Commission of Texas
7800 Shoal Creek Blvd.
Austin Texas 78757

Michael J. Shortley, III
Rochester Telephone Corp.
180 South Clinton St.
Rochester, New York 14646

Paul J. Feldman
Roseville Telephone Company
c/o Fletcher, Heald & Hildreth, P.L.C.
1300 North 17th St., 11th Floor
Rosslyn, Virginia 22209

Caressa D. Bennet
Rural Telephone Coalition
1831 Ontario Pl., N.W., Ste. 200
Washington, D.C. 20009

Jay C. Kiethley
Sprint Corporation
1850 M Street, N.W., 11th Floor
Washington, D.C. 20036

J. Paul Walters, Jr.
Southwestern Bell Telephone Company
One Bell Center, Suite 3520
St. Louis, Missouri 63101

Jeffrey S. Linder
Tele-Communications Association
c/o Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

Jeanne Moran, Esq.
Tennessee Public Service Commission
460 James Robertson Parkway
Nashville, TN 37243

Catherine P. McCarthy
Time Warner Communications Holdings, Inc.
c/o LeBoeuf, Lamb, Greene & MacRae L.L.P.
1875 Connecticut Ave., N.W., Ste. 1200
Washington, D.C. 20009

Mary McDermott
United States Telephone Association
1401 H Street, N.W., Ste. 600
Washington, D.C. 20005

James T. Hannon
U S West Communications, Inc.
1029 19th St., N.W., Suite 700
Washington, D.C. 20036

Jeffrey N. Fritz
West Virginia University
P.O. Box 6860
Morgantown, West Virginia 25506-6860